Fields of Opportunities

STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
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DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 888

DATE: February 19, 2010

TO: Iowa Medicaid Case Managers, Independent Support Brokers (ISB) and DHS Service Workers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Consumer Choices Option (CCO) Update

The purpose of this letter is to clarify recent issues with the Consumer Choices Option (CCO) in purchasing goods and services though the use of CCO budgets. The Centers for Medicare and Medicaid Services (CMS) issued a guidance letter (SMD # 09-007) dated November 19, 2009, to all State Medicaid Directors on the use of funds associated with self direction budgets. The CMS guidance establishes criteria for states to set rules on how to implement self direction programs. This guidance will be incorporated into rules that clarify how Iowa will be able to use CCO budgets.

This memo will address the following:

- Saving for the purchase of goods and services
- The use of Medicaid State Plan services prior to using waiver and CCO funding
- How to approve Home and Vehicle Modifications, Specialized Medical Equipment, and Assistive Devices when using CCO
- Communication between the member, the ISB, and the case manager when using the Consumer Choices Option.

Savings

The use of savings within CCO budgets to purchase goods and services is allowable and has been used to purchase a wide variety of items for members that are accessing CCO. All purchases of goods go through a prior authorization process in ISIS that authorizes a member to create a savings plan for future purchases. The purchase requests must be approved by the Department prior to accruing any savings towards a purchase. Many members have accumulated money within their CCO budgets without an approved savings plan and request to use the accumulated funds for purchases. These requests are denied by the Department as the purchases have not been approved prior to the beginning of savings. These budgets accumulate for a variety of reasons that may include scheduled services that were cancelled, staff not available or not currently hired, the member being sick, etc. Any funds that have not had purchases identified in the CCO budget prior to being placed in savings will be returned to the Medicaid program. If additional respite is needed in the future, money within the budgets can be set aside for future respite services as identified in the case manager's service plan.

One of the key criteria identified by CMS is that the purchase must be related to and identified goal or need that is specifically listed in the member's service plan. The CCO budget must be used to meet the needs identified by the services that are authorized in the member's service plan. In addition, CMS states that any individual purchases of goods and services must be documented in the member's service plan.

HVM/SME/Assistive Devices

When using CCO budgets to purchase a Home or Vehicle Modification (HVM), Specialized Medical Equipment (SME), or Assistive Devices, the items must be approved and authorized, as applicable, in the member's traditional service plan as a HVM, SME or assistive device. Once approved, the member then has the option to use CCO or traditional funding to meet the members need. When authorizing these items, the CM/SW is authorizing items based on the needs of the member. By authorizing the HVM, SME, or assistive device in the traditional plan of care, the member's need has been identified in the plan and the appropriate service that is available in the waiver program has been maximized to meet the specific need. In doing this, the item can be purchased immediately and the CCO budget that has been identified to purchase personal care or skill building services is not being reduced and can be fully used to meet the identified needs of the member that have been identified.

Medicaid State Plan Services

Medicaid State Plan services must be maximized before using waiver services**,** which includes CCO. Examples of recent CCO purchase requests have been for Durable Medical Equipment (e.g., wheelchairs, standing equipments, eyeglasses) and augmentative communication systems that are available through the regular Medicaid State plan. These requests are being denied and members are being directed to make the requests through regular Medicaid. The hierarchy for accessing funding for goods and services for members is private insurance first, then Medicaid state plan, then waiver. This hierarchy applies to CCO.

Communication

Communication between the member, case manager/service worker, and ISB is crucial in the CCO program. Because all needs of the member that are being met through CCO must be identified in the member's plan of care, the CM/SW must be knowledgeable of the goods and services that are being accessed through CCO. Guidance from CMS has clarified that goods and services purchased through CCO must be identified in the member's plan of care. Questions concerning the implementation or use of the CCO program should be addressed initially between the member and the ISB. When further clarification is needed, the member should talk with their case manager or service worker. If additional clarification is needed, the case manager/service worker may contact their supervisor. If, after this protocol has been followed, there are additional questions, the case management supervisor may contact the IME CCO Program Manager.